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SOURCE Informativni prirucnik o Jugoslaviiji, Book 2, Sections 1-3, 1952.THE YUGOSLAV TEXTILE INDUSTRY

[The following report is based on an article in Informativni  
 prirucnik o Jugoslaviiji, a handbook published in sections since  
 late 1948 by the Yugoslav Directorate for Information.]

The textile industry was the best-developed industrial branch in prewar  
 Yugoslavia. Although it is not first in postwar Yugoslavia, it is among the  
 stronger branches of industry.

THE TEXTILE INDUSTRY FROM 1918 TO 1941

The development of the textile industry in Yugoslavia began chiefly in  
 the period after World War I. There was no textile industry in Montenegro and  
 Macedonia. The textile industry was better developed in Slovenia, Croatia,  
 and the Vojvodina, where its establishment dated back to 1851.

After World War I, part of the textile industry, such as the wool industry  
 in Serbia, was developed mostly from German reparations, whereas the larger  
 part was developed chiefly through the import of second-hand and obsolete  
 machinery from Czechoslovakia and Poland. Foreign capital and foreign textile  
 experts entered the textile industry along with the machinery, while enterprises  
 in areas formerly belonging to Austria-Hungary already belonged to foreign  
 concerns and banks.

The status of the textile industry of Yugoslavia in 1918, 1928, and 1938  
 was as follows:

	<u>1918</u>	<u>1928</u>	<u>1938</u>
<u>Number of Factories</u>			
All industry	1,855	3,038	3,954
Textile industry	120	269	453
Including manufacture of clothing	7	17	21

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<u>Number of Jobs</u>	<u>1918</u>	<u>1928</u>	<u>1938</u>
All industry	172,447	272,401	330,156
Textile industry	25,717	59,438	77,776
Including manufacture of clothing	1,682	2,800	3,093
<u>Number of Jobs per Factory</u>			
All industry	92.96	89.66	83.5
Textile industry	214.21	220.96	171.69
Including manufacture of clothing	240.29	164.71	147.29
<u>Total Invested Capital (1,000 dinars)</u>			
Textile industry	661,414	1,296,550	1,581,010
Including manufacture of clothing	12,514	17,375	22,290
<u>Invested Capital by Factory</u> <u>(1,000 dinars)</u>			
Textile industry	5,511.8	4,819.9	3,490.1
Including manufacture of clothing	1,787.7	1,022.1	1,061.4

This table shows that the number of textile factories increased by 277.5 percent, whereas the number of jobs increased by only 202.4 percent. The number of jobs per factory decreased by 19.85 percent, whereas invested capital decreased by 62.83 percent. The textile industry therefore was building factories of smaller capacities, employing fewer people, and requiring less invested capital.

The number of textile enterprises was constantly changing because new enterprises were set up while others went out of business. The textile industry was developed quite disproportionately, for the production of finished products (yard goods, garments) was better developed than the production of semifinished goods (yarn).

Conditions favoring the construction of factories for production of finished textiles were as follows:

1. It was possible constantly to add new machines for supplementing or expanding an enterprise, because anyone could have his material partly processed or finished on a commission basis by the large factories.
2. Yarn did not have to be bought in large quantities and finished products could be sold in small quantities.
3. Finished products were protected by a higher duty than yarn.

Spinning mills were not built for the following reasons:

1. The lack of raw materials in Yugoslavia.
2. The sale of yarn had to face stronger competition than the sale of finished products, since yarns were not so well protected by duties, and the operation of a spinning mill required greater business and technical skill.

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3. Domestic owners of small textile enterprises did not have enough capital to construct spinning mills, which require complete buildings and complete installations.

4. Direct or indirect owners of large textile enterprises were foreign capitalists, who were not interested in making long-term investments in spinning mills because they were able to set up weaving mills with small investments and to use second-hand machines which could amortize quickly, and because they could sell the yarn from spinning mills in other countries in which yarn production was greater than the demand for it.

The number and type of plants in the textile industry were as follows:

	<u>1918</u>	<u>1928</u>	<u>1938</u>
Hemp	22	29	80
Processing of hemp fiber and yarn	4	14	14
Flax processing	3	4	5
Silk reeling	4	4	4
Jute processing	-	3	7
Cotton spinning	5	8	19
Wool spinning	10	33	36
Cotton weaving	10	36	81
Wool weaving	6	24	48
Weaving of natural and artificial silk	-	10	36
Rug weaving	4	7	7
Knitted garment and stocking	14	79	74
Trimmings manufacture	3	20	17
Sterile cotton and other material used for medical purposes	-	8	8
Necktie production	-	10	10
Clothing manufacture	3	27	17
Hat and cap production	6	29	11
Horsehair knitted products	4	4	4
Production of umbrellas	3	6	-

In 1938, the value of textile production was 2,885,994 dinars or 18.32 percent of the value of all industrial production. The textile industry was first in number of persons employed and jobs, second in value of production, third in invested capital, fourth in number of factories, and fifth in power consumption.

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In 1938 a total of 54,000 persons were employed in the textile industry, or 27.4 percent of the total employed in all industrial branches; 21.25 percent were skilled and 73.62 percent semiskilled or unskilled blue-collar workers. Foreigners constituted 2.21 percent of employees in the textile industry and 32.24 percent of the technical personnel. Salaries and wages were low because women and children mostly were employed.

Cartels were established which partly monopolized production and prices. These cartels included the trousers material cartel, which had been established in 1936; the stocking cartel, which included the five largest producers of stockings and concentrated the sales of stockings in one organization; the sized cotton cartel for tailors, which included four enterprises; and the rug cartel. These cartels included 4.19 percent of textile factories, 8.47 percent of invested textile capital, and 5.26 percent of the value of textile production.

#### THE TEXTILE INDUSTRY FROM 1941 TO 1945

During World War II, many textile enterprises were damaged or destroyed. The Germans dismantled entire factories and used the machines as scrap iron, while the Hungarians and Bulgarians transferred whole factories to their countries. Plants in areas occupied by the Italians or in the Independent State of Croatia were damaged by sabotage and partisan warfare. The textile industry, which was worth 42,200,000 dollars before the war, suffered damage totaling 23,400,000 dollars.

During the National Liberation War, textile plants in the liberated area worked at limited capacity owing to lack of raw materials. These plants operated mostly for the National Liberation Army.

#### THE TEXTILE INDUSTRY FROM 1945 TO 1951

After the liberation, nationalization of domestic and foreign-owned textile enterprises made it possible to merge plants and to concentrate small enterprises into larger and more profitable ones. Some factories were liquidated and their machinery transferred to larger factories which had unused buildings.

During the reconstruction period, much spinning machinery was installed; the reeling, spinning, and weaving facilities for the finishing of natural silk at Novi Sad were again put in operation; and the flax and hemp mills destroyed during the war were restored.

Production in the textile industry from 1946 to 1951 compares as follows with production in 1939.

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	<u>1939</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>
Total value of production (millions of dinars)	14,710	13,220	19,980	21,200	22,887	22,169	20,839
Cotton yarn (tons)	23,000	21,400	27,700	28,606	29,156	29,936	26,895
Cotton fabric (1,000 sq m)	104,400	77,434	144,000	161,480	154,905	144,356	122,810
Cotton thread (tons)	127	261	381	528	579	375	619.1
Woolen yarn (tons)	6,000	6,741	10,750	13,032	13,324	13,098	13,147
Woolen fabrics (1,000 sq m)	18,600	15,700	21,800	26,037	27,941	24,434	23,330
Linen fabrics (1,000 sq m)	2,100	2,100	1,300	2,165	1,377	1,838	23,330
Hemp fabrics (tons)	2,100	2,100	2,800	4,044	4,492	--	--
Jute fabrics (tons)	3,457	2,113	4,066	6,992	5,176	6,691	--
Artificial silk fabrics (1,000 sq m)	10,372	--	2,856	8,961	11,271	6,294	--
Stockings (millions of pairs)	15.8	--	30	26.7	26.5	24.6	--
Cotton and woolen clothing (1,000 sq m)	--	--	3,900	6,555	6,732	8,553	--
Woven underwear (1,000 sq m)	--	--	11,800	9,921	9,090	16,064	--
Knitted underwear (tons)	1,240	960	1,055	1,458.4	1,788	1,005	--

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Since raw materials in Yugoslavia remained insufficient to meet the demands of the textile industry and since the disproportion between spinning mills and weaving mills remained practically the same as in preceding years, the entire production increase in the postwar period up to 1949 was based on the very heavy import of textile raw materials. The constant increase in imports increased the foreign trade deficit, so that imports had to be reduced and this caused cut-backs in production after 1949.

The textile industry produced a number of items urgently needed by various industrial branches, such as woolen felts and filters for the paper printing, chemical, and cement industries; industrial fabrics for the leather, electrical, and rubber industries; and surgical yarn from natural silk.

Because of constant reorganizations of textile enterprises in the postwar years there is no exact data on their number and trend of development. The number of spindles remained about the same; there were 260,000 spindles and 14,000 weaving looms in 1938, 241,000 spindles and 10,000 weaving looms in 1945, and 260,500 spindles and 13,000 weaving looms in 1951. In 1938, there were 396 basins for reeling silk cocoons; in 1950, there were 576, but 270 of these were not yet installed.

Two cotton spinning mills in Zemun and Maribor, which were damaged during the war, were put in operation; two plants for cottonizing hemp tow were restored; installations with about 20,000 spindles for spinning corded cotton yarn were installed; new hemp and flax processing plants were constructed in Serbia, Croatia, and Bosnia-Herzegovina; cotton ginning stations were set up in Macedonia, Montenegro, Herzegovina, and Dalmatia; and factories were set up for the production of fibers from broom corn. A 250-loom cotton-weaving mill was installed in Ajdovscina; 60 new basins for reeling natural silk were installed in Pancevo and Titov Veles; and a new woolen yarn spinning mill in Tstovo was put in partial operation with 10,000 spindles and an annual output of about 2,200 tons of yarn.

New spinning mills are under construction in Bijelo Polje near Mostar (the village of Vrapcici); in Stip, Sinj, and Pristina, areas where there was no textile industry. They will have a total of about 106,000 spindles with an annual output of 7,895 tons of carded and 2,803 tons of combed cotton yarn. Installations have been ordered from Great Britain; full operation is expected by the end of 1952.

#### SUPPLYING THE TEXTILE INDUSTRY

Before the war, the textile industry purchased only one third of domestic cotton fiber production; the rest was bought up by merchants and artisans. Since the end of the war, cotton fiber has been used in Yugoslavia exclusively for the production of yarn and cotton. Before World War II, cotton growing was promoted by high purchase prices (20 to 26 dinars per kilogram). Since the war, cotton growing has been promoted by the plan and by the crop-purchase system.

The production of cotton fiber has been as follows:

	<u>Quantity (tons)</u>	<u>Index (1938=100)</u>
1929 - 1930	135	11
1933 - 1934	73	6
1938 - 1939	1,239	100

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	<u>Quantity (tons)</u>	<u>Index (1938 = 100)</u>
1946 - 1947	1,020	82
1947 - 1948	1,176	95
1948 - 1949	1,724	139
1949 - 1950	1,880	152
1950 - 1951	1,534	124
1951 - 1952	1,160	102

Cotton cultivation in Yugoslavia is advancing quite slowly, although conditions are favorable for its expansion. Before World War II, cotton was cultivated only in Macedonia. At present, Macedonia cultivates 75 percent, Hercegovina 14 percent, and Montenegro 4.5 percent of the total cotton cultivated. Cotton cultivation also is being tested in the Vojvodina.

#### Hemp Fiber

Hemp fiber is the only textile raw material which satisfies domestic demand quantitatively and qualitatively; some hemp fiber is also exported.

Before the war, Yugoslavia was fourth in world hemp production and second in hemp export. After the war, hemp production decreased considerably because of: (1) lack of fertilizers, insufficient application of modern agricultural measures, and poor growing seasons; and (2) low price of hemp stalks.

Hemp fiber production for industrial and farm consumption has been as follows:

	<u>Quantity (tons)</u>	<u>Index (1938 = 100)</u>
1929	26,245	47
1933	27,863	50
1938	55,399	100
1946	13,400	24
1947	24,970	45
1948	47,900	86
1949	58,050	105
1950	21,950	43
1951	25,552	46

#### Flax

Flax is cultivated in Yugoslavia for fiber and seeds, but the quality is not satisfactory so industry is forced to import better grades of long fiber for quality yarn production. Both production and quality have decreased considerably since the war, and the export of flax fiber has ceased completely.

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Flax fiber production for industrial and farm consumption has been as follows:

	<u>Quantity (tons)</u>	<u>Index (1938 = 100)</u>
1929	9,314	72
1933	9,928	77
1938	12,917	100
1946	2,830	22
1947	1,080	8.4
1948	2,750	21
1949	3,130	24
1950	1,610	12.5
1951	2,020	16

Wool

Wool production does not meet the requirements of Yugoslav industry quantitatively or qualitatively. Before the war, 50 to 55 percent of domestic wool production was used for processing in the villages, 5 to 7 percent was exported, and the rest was processed in domestic industry. After the war, wool exports ceased almost completely, while processing in domestic industry increased.

The number of sheep has increased as follows (the average yield of unwashed wool is estimated at 1.3 to 1.4 kilograms per head having an average yield of 55 percent of clean wool):

	<u>Total Number of Sheep</u>	<u>Index (1938 = 100)</u>
1929	7,735,957	76
1933	8,600,418	85
1938	10,137,357	100
1945	7,045,700	69.4
1946	9,192,400	90.6
1947	9,970,000	98.3
1948	10,603,600	104
1949	11,649,540	115
1950	10,041,613	99
1951	10,273,664	101

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Sericulture

Sericulture has been declining. Because of unattractive prices, unsystematic cultivation of mulberry trees, and the competition of synthetic fibers, no special development is expected in the near future.

The production of silkworm cocoons has been as follows:

	<u>Quantity (tons)</u>	<u>Index (1938 = 100)</u>
1929	1,256.7	236
1933	731.4	136
1938	530	100
1946*	--	--
1947*	--	--
1948	478	90
1949	534	101
1950	549	104
1951	445	84

\* No data available.

Cottonene

Cottonene is produced from hemp and flax tow, and fiber waste. However, the quality is not satisfactory and the cottonization cost is too high. Cottonene is used for the production of surgical cotton, cotton for blankets, and in spinning vicuna yarn and pulled woolen yarn, but is not satisfactory for the spinning of carded yarn. Cottonene production totals about 300 tons a year.

Efforts have been made to develop new raw materials for the textile industry as follows: Attempts have been made to cultivate wild broom in Istria and Dalmatia. Fiber production from hops has been tested in the laboratory. Nettle has been tested, but fiber has still not been produced from it. Fiber production from reed has been tested.

IMPORT AND EXPORT OF TEXTILES

The following textile materials were imported in prewar Yugoslavia:

Raw materials: cotton, wool (unwashed, washed, and processed), jute, sisal, cellulose yarn of cotton and woolen types, animal hair, and various types of waste.

Semifinished products: yarns, including cotton yarn (for fabrics and knitting), woolen yarn (pulled and combed), vicuna yarn, linen, jute, hemp, and natural and artificial silk yarn.

Finished products: all types of fabrics, ready-to-wear clothing, jute sacks, felt, hats, and felt hat shapes.

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The quantity and value of textiles imported were as follows:

	<u>1931</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>
All textiles				
Quantity (tons)	42,915	61,780	60,160	52,662
Value (1,000 dinars)	1,513,131	807,903	1,421,760	1,349,133
Cotton and cotton products				
Quantity (tons)	27,352	43,956	39,100	33,652
Value (1,000 dinars)	878,437	1,077,121	787,917	690,740
Wool and wool products				
Quantity (tons)	5,696	6,765	7,598	6,982
Value (1,000 dinars)	377,501	505,711	429,384	415,169
Other vegetable fibers and their products				
Quantity (tons)	8,523	11,266	11,099	8,438
Value (1,000 dinars)	94,049	102,267	95,413	105,889
Silk and silk products				
Quantity (tons)	1,344	2,793	2,363	3,590
Value (dinars)	163,144	122,804	109,046	137,335

Prewar Yugoslavia exported the following textile materials:

Raw materials: hemp and flax fiber, wool, animal hair, and silk waste.

Semifinished products: raw silk.

Finished products: various fabrics in very small quantities.

The quantity and value of hemp and other vegetable fibers exported were as follows:

<u>Year</u>	<u>Quantity (tons)</u>	<u>Value (1,000 dinars)</u>
1931	7,362	59,363
1932	6,390	31,407
1933	5,504	38,210
1934	8,337	73,159
1935	19,187	149,057

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<u>Year</u>	<u>Quantity (tons)</u>	<u>Value (1,000 dinars)</u>
1936	19,515	187,611
1937	24,322	205,559
1938	20,041	171,689
1939	22,386	232,653

Yugoslavia now imports the following textile materials:

Raw materials: cotton, wool, jute, sisal, animal hair, linen fiber, and wool waste

Semifinished products: yarns such as cotton, woolen (combed), linen, hemp, jute, and artificial silk

Finished products: fabrics of all types in limited quantities

The quantity and value of textile imports in 1950 were as follows:

	<u>Quantity (kg)</u>	<u>Value (1,000 dinars)</u>
Total Yugoslav imports	162,992,500	11,790,886
Textiles	51,988,000	2,967,154
Textile raw materials	47,424,800	2,403,911
Waste	511,100	9,718
Semifinished products -- yarns	3,665,700	444,113
Finished products	597,800	107,311
Fabrics	165,000	26,010
Ready-to-wear clothing	299,700	11,819

The categories of textile imports in 1950 were as follows

	<u>Quantity (kg)</u>	<u>Value (1,000 dinars)</u>
Cotton and cotton products	37,053,900	1,758,128
Cotton fiber	31,489,400	1,360,015
Cotton yarn	2,149,800	223,540
Cotton fabrics	111,400	18,426
Other cotton products	329,700	62,380
Ready-to-wear clothing	1,400	371
Cellulose fiber of cotton type	2,972,200	93,396

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	Quantity (kg)	Value (1,000 dinars)
Wool and wool products	11,417,200	1,010,093
Wool fiber	8,362,100	810,827
Cellulose fiber of wool type	2,170,800	91,800
Wool yarn	402,800	95,192
Wool fabrics	8,100	2,634
Other wool products	100	169
Ready-to-wear wool clothing	2,200	203
Wool scraps	471,100	9,268
Other vegetable fibers and products	2,648,900	66,003
Fibers	1,901,400	34,240
Jute	1,307,000	22,398
Sisal, Manila hemp, coconut	594,400	11,842
Yarns	400,100	21,424
Linen yarn	15,000	4,798
Hemp yarn	30,000	2,446
Jute yarn	355,100	14,180
Linen fabrics	400	138
Other products	17,900	586
Jute sacks	289,100	9,165
Hemp and flax scraps	40,000	450
Silk and silk products	732,000	111,526
Artificial silk yarn	713,000	103,957
Natural silk fabrics	1,800	2,175
Other products	17,200	5,394
Various textiles	136,000	21,404
Various hairs	17,800	3,915
Coated industrial fabrics	43,300	2,637
Felt	67,900	12,772
Hats, felt hat shapes	--	13
Other products	7,000	2,057

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Yugoslavia now exports the following textile materials:

Raw materials: hemp fiber, silk scraps, and small quantities of wool.

Semifinished products: none.

Finished products: felt hat shapes, rugs, and products of domestic industry (especially Bosnian slippers).

The quantity and value of textile exports in 1950 were as follows:

	Quantity (kg)	Value (1,000 dinars)
Total Yugoslav exports	3,082,133,000	7,929,967
Textiles	22,061,300	361,911
Textile raw materials	22,010,700	341,895
Waste	151,900	10,465
Semifinished products -- yarns	--	--
Finished products	18,900	7,270
Fabrics	18,900	7,270
Ready-to-wear clothing	31,700	12,746

The categories of textile exports in 1950 were as follows:

	Quantity (kg)	Value (1,000 dinars)
Wool and wool products		
Wool fabrics and rugs	18,900	7,270
Other vegetable fibers and products		
Hemp and tow fibers	21,854,800	331,393
Silk and silk products		
Silk scraps	151,900	10,465
Miscellaneous textiles	35,700	12,783
Other hairs	4,000	37
Hats and felt hat shapes	20,000	6,362
Other products	11,700	6,384

The average number of persons employed in the textile industry was as follows:

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	<u>1950</u>	<u>1951</u>
White-collar workers	9,764	7,850
Blue-collar workers	75,956	71,472
Other personnel	8,179	6,008
Total	93,899	85,330

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